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Salesperson Knowledge Distinctions and Sales Performance

Thomas W. Leigh, DBA, and Thomas E. DeCarlo, PhD

Professional selling is a learned intellectual skill where more knowledgeable sales personnel, ceteris paribus, should be expected to be more productive due to their superior client interaction and persuasion skills. Learned largely through direct-selling experience and training, these superior skills would be expected to enable high-performing salespeople to more accurately and appropriately classify clients according to their sales potential and needs and hence better adapt their selling strategies to specific clients (Leigh and McGraw 1989; Leong, Busch, and John 1989; Weitz, Sujan, and Sujan 1986). In turn, these more suitably tailored messages should enhance selling effectiveness and efficiency. Intuitively, this may make perfect sense to most real estate brokers. However, the nature of the content and structure of this salesperson working knowledge is not well understood and important questions remain. First, what are the specific knowledge dimensions that explain how and why higher performers are more adaptive and responsive to different clients? Second, is there a common base of selling knowledge that is unique to particular performance categories? If so, how do the highest performance groups differ from the middle and lower performing groups? Finally, do higher performers have different sales call goals than lower performers?

To answer these questions, we conducted depth interviews with 150 salespeople using a systematic procedural knowledge-based approach to identify critical sales knowledge differences among six distinct categories of sales performers (from superstars to below-average performers). Specifically, we investigate the procedural knowledge that enables high performers to better recognize, analyze, interpret, evaluate, and remember effective and appropriate sales strategies and tactics and how to adapt them to fit specific sales call contingencies. Our research is important for real estate professionals as it provides a conceptual logic and approach, as well as descriptive insights concerning how services are sold (our sample was derived from the financial services industry), and the results can be adapted to the real estate selling context to improve sales performance.

Higher Performing Sales Agents’ Knowledge Structures Aid Adaptability

Our research proposition was that the procedural knowledge (know how) of higher performers would be more sophisticated than that of lower-performing agents. In particular, we found the procedural knowledge of highly effective sales agents was quantitatively more elaborate, more contingent, and more specifically adaptive to customer requirements than that of lower-performing agents. We also find that higher-performing salespeople have distinct knowledge that
is more central to a selling context and more specifically adapted to particular customer types or selling circumstances. These results are important in that they begin to explicate the nature and benefits of acquiring “accurate” knowledge structures (Sharma et al., 2000). In particular, our results show why and how higher performers are better at adapting. The relative lack of flexibility in sales approaches of lower performers, for example, may be rooted in a knowledge deficit in recognizing the importance of specific situations or customer behaviors within a sales interaction. Conversely, higher performers are not only better able to recognize the centrality of particular customer types or situations in achieving a successful outcome, but they are better able to respond in a task-specific adaptability manner.

The current research also provides evidence that higher (relative to lower) performers will self-impose a greater number of goals when planning a customer interaction. This implies that higher performers perceive sales call success in more and perhaps different ways than lower performers, which may help explain why higher performers maintain a relatively high level of self-esteem (Krishnan et al., 2002).

**Implications for Real Estate Sales Professionals**

Our findings raise a variety of issues for real estate sales, especially concerning how sales agent knowledge is developed, leveraged, and rewarded. Developing and leveraging deep and contextualized salesperson knowledge, for example, may be approached by employing either talent-based or systems-based models. For example, our contingency results suggest it is not the amount of sales knowledge, but rather how the knowledge is stored and indexed in memory. Hence, one talent-based recommendation would be to enhance salesperson development, not by teaching lower performers a body of knowledge gained by high performers in a few training sessions (which we believe is doomed to fail), but by adopting a long-term developmental approach that includes elaborating on prior knowledge by teaching pattern recognition through highly varied and contingent sales call discrimination tasks and explanations (Heit 1994). Our study also suggests that agent training programs would benefit by emphasizing the importance of creative thinking in establishing a variety of intermediate and end goals prior to actual client interactions.

Turning to a systems-based model approach in leveraging and disseminating sales force intellect, one recommendation would be to create a culture that encourages knowledge sharing and modeling. Creating a learning culture and systems where expert brokers voluntarily share experiences and stories is essential for leveraging the knowledge of top salespeople. The use of
sales teams with different levels or types of sales expertise, for example, is also an approach to increasing contact, joint learning, and tacit knowledge sharing. Supporting these interpersonal activities, however, should be more systematic knowledge management practices, including software systems to capture explicit formal knowledge and link lower performing brokers to a network of recognized sales leaders.

**Conclusion**

Greater procedural (know how) and declarative (know what) selling knowledge enables the salesperson to adaptively manage a sales call toward an appropriate outcome. Real estate professionals can establish a more systematic approach to capturing and disseminating the unique knowledge bases that enables higher performance.

**Additional Information on the Research Methodology**

A multi-line insurance firm provided data for their top agents in terms of new business generated in auto, home, life, and commercial lines over 2 1/2 years. A random sample of 150 sales agents (25 per six sales performance categories) from four distinct regions (NE, SE, West, and Midwest) was selected and randomly assigned in an attempt to rule out alternative explanations (e.g., verbal ability or social maturity) of our findings. Each interview was scheduled for two hours and most required the full time allotted.

A free-elicitation methodology was used to elicit the procedural knowledge of financial services agents. Sales agents were presented two sales call contexts, an initial prospect telephone sales call and an initial face-to-face sales office call, and asked to describe in detail what would be expected to occur, in sequential order, in each context. This agent-level data allows an empirical assessment of the relative degree of elaboration, contingency, and distinctiveness in the procedural knowledge of higher and lower performing sales agents. After listing the activities, events, actions, or behaviors that would normally be expected to occur in successfully negotiating each sales call, agents were asked to list in order of importance: (1) goals that they expected to accomplish in each sales context; (2) unusual customer types or circumstances that might occur in each sales context; and, (3) if-then activity sequences indicated to resolve each of the sales call contingencies identified. These latter two tasks represent the prompted “if-then” contingency data.

To more deeply examine the contingent (or adaptive) nature of salesperson knowledge, two prompted “if-then” contingency contexts were developed. For the initial telephone call, sales agents were asked to identify and describe any customer circumstances that might present unique selling requirements and how they would handle each. For the office sales call, sales agents were asked to identify as many specific customer types as they had found relevant. Then, sales agents were asked to fully describe the activities or events necessary to adapt to each identified customer circumstance or type. These prompted “if-then” statements were then coded as to their
centrality to the process of making a successful sale and their task-specific adaptiveness to the customer. Two independent judges with sales experience coded the data. Inter-rater reliability indices ranged from .71 to .94, exceeding the .70 reliability standard (Perreault and Leigh 1989).

**Recommended Reading**


**References**


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Dr. Thomas W. Leigh (D.B.A., Indiana University) is Professor Emeritus, and formerly Emily H. and Charles M. Tanner, Jr. Chair of Sales Management, at The University of Georgia. He is Past President of the American Marketing Association’s Academic Council and the Sales Special Interest Group and is a charter member of the AMA Foundation Leadership Circle. He served as Board Chairman of the East Georgia Chapter of the American Red Cross in 1992-93.
Professor Leigh's research has been published in the *Journal of Marketing Research, Journal of Marketing, Journal of Consumer Research, Journal of Applied Psychology, Journal of Advertising, Journal of Advertising Research, Planning Review, Journal of Purchasing and Materials Management, Journal of Personal Selling and Sales Management, and Journal of the Academy of Marketing Science*. Two of his articles have won the annual best paper awards by the Sales SIG. He was awarded the prestigious AMA Sales SIG’s Lifetime Achievement Award for his research and service in 2007. He has served on the editorial boards of the *Journal of Marketing, Journal of the Academy of Marketing Science, and Journal of Personal Selling and Sales Management*. Dr. Leigh has taught in all four of the Terry College’s MBA/EMBA Programs on the subjects of Marketing Strategy, CRM and B2B Sales Strategy and Management. Professor Leigh's executive education experience includes roles at UGA, Penn State, Northwestern and Georgia State University, as well as such corporate clients as Beatrice Foods, Marriott, Reichheld Chemicals, Siam Cement (Bangkok), Moore Business Forms, Inchcape/Caleb Brett, Armstrong World Industries, CISCO Systems, CIGNA Insurance, Digital Equipment, SATYAM Computer (India), the Seminarium Institute and the University of California (Berkeley) in Chile, Peru, Columbia, and Mexico, Wuhan University (China), the Henley EMBA Program (England), and the University of the West Indies (Trinidad). He is a co-author of the book *Strategic Sales Leadership: Breakthrough Thinking for Breakthrough Results*, with his partners in The Sales Educators LLC. This book is available through Amazon.com.

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